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INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS  
RUEHBJ/AMEMBASSY BEIJING 0514  
RUEHBY/AMEMBASSY CANBERRA 9305  
RUEHKA/AMEMBASSY DHAKA 3927  
RUEHLO/AMEMBASSY LONDON 1408  
RUEHNE/AMEMBASSY NEW DELHI 3100  
RUEHUL/AMEMBASSY SEOUL 6406  
RUEHTC/AMEMBASSY THE HAGUE 0464  
RUEHKO/AMEMBASSY TOKYO 4015  
RUEHCI/AMCONSUL CALCUTTA 0530  
RUEHCN/AMCONSUL CHENGDU 0520  
RUEHGV/USMISSION GENEVA 2464  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC  
RUEKJCS/JOINT STAFF WASHDC  
RUCNDT/USMISSION USUN NEW YORK 0138  
RUEHBS/USEU BRUSSELS  
RHHMUNA/CDR USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000043

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STATE FOR EAP/MLS; PACOM FOR FPA

E.O. 12958: DECL: 01/01/2016

TAGS: [PGOV](#) [PINS](#) [PREL](#) [MOPS](#) [SNAR](#) [ECON](#) [BM](#)

SUBJECT: BURMESE ARMY RAIDS KACHIN CEASE-FIRE UNIT

REF: RANGOON 1448

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Classified By: P/E Chief W. Patrick Murphy for Reasons 1.4 (b,d)

¶1. (C) Summary: On January 2, a Burmese Army (BA) company, after sharing drinks and food with known members of the Kachin Independence Organization (KIO), attacked and killed five members of the cease-fire group. Senior KIO and Burmese regime officials met on January 8 in Rangoon to discuss the incident, which took place at a small KIO administrative office in northern Shan State, and agreed that it was the result of a "misunderstanding." Officials claim the regime's unrelated pursuit of ethnic Shan insurgents led to the mistaken attack. Disputes over commercial gains from unregulated border trade in natural resources and drugs, however, likely caused the friction. End Summary.

¶2. (SBU) Details have slowly emerged about an alleged attack on January 2 by a Burmese Army company on a township administrative office of the Kachin Independence Organization (KIO), near the Chinese border in northern Shan State. The KIO, a former insurgent group which has significant influence throughout Kachin State and in a small area of northern Shan State, secured a cease-fire agreement with the Burmese regime in 1994. Skirmishes have continued, however, resulting in the deaths of several dozen soldiers in the Kachin Independence Army (KIA), the KIO's military wing.

¶3. (SBU) According to Kachin sources, a company of Burmese soldiers, under the command of the regime's Northeastern Military Command (headquartered in Lashio), visited a small KIO administrative office located in a village about four miles from the border town of Muse in northern Shan State. The Burmese troops and the KIO officials, who know each other well and meet frequently, shared drinks and a meal. For unknown reasons, the Burmese troops returned later in the day and shot and killed five individuals at the KIO office,

including the KIO administrative office head; three KIA soldiers; and two local villagers employed at the office.

¶4. (C) On January 8, the SPDC's Chief of Military Affairs Security and Rangoon Military Commander, Lt Gen Myint Swe, met in Rangoon with top KIO officials and several ethnic Kachin mediators (including Reverend Saboi Jum and his brother, Khun Myat, who helped facilitate the 1994 cease-fire). According to sources, they mutually agreed that the January 2 attack was the result of "misunderstanding," possibly connected to the Burmese Army's pursuit of ethnic Shan insurgents. The Charge was in Kachin State Jan. 8-10 for an annual Kachin festival and heard numerous times from local Kachin of the killings and the official mistaken identity explanation. Those Kachin, however, were skeptical and wanted more details about the attack.

¶5. (SBU) Five KIO delegates currently attend the regime's National Convention (NC). Kachin sources doubt that the deadly January 2 incident will have any significant impact on the KIO's participation in the NC or on the 12 year-old cease-fire agreement.

COMMENT: KEEPING THE PEACE, AND THE RENT

¶6. (C) A violent attack by BA soldiers on a familiar KIO outpost is clearly more than a simple "misunderstanding." We doubt that this explanation will suffice for many Kachin, but it may have served to help keep the peace at the annual Kachin festival, which was attended by the SPDC's regional military commander in Myitkyina and all of the Kachin cease-fire groups.

¶7. (C) Low-level commercial disputes are the likely source of friction. Northeastern Shan State is notorious for

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unregulated border trade in natural resources and illicit narcotics, with the equally notorious involvement of Burmese and ethnic soldiers. Disputes in this region have even created rivalries within the Burmese military itself, and was one of the reasons for the 2004 ouster of the regime's former third-ranking official, General Khin Nyunt. The SPDC has recently made efforts to gain greater control of border trade and, in this case, clearly undertook the quick mediation effort to thwart a further escalation of conflict. Rent-seeking opportunities in the border region, however, remain abundant and future "misunderstandings" will likely occur. End Comment.  
VILLAROSA